
PRELIMINARY DRAFT
No. 3337

PREPARED BY
LEGISLATIVE SERVICES AGENCY
2005 GENERAL ASSEMBLY

DIGEST

Citations Affected: IC 25-26-13-8.5.

Synopsis: Generic drug pricing by pharmacies. Requires the board of pharmacy to annually develop a schedule of reasonable retail prices for generic legend drugs and review a random sample of pharmacies for compliance. Requires a pharmacy to annually file retail prices based on the schedule with the board of pharmacy.

Effective: July 1, 2005.



A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 25-26-13-8.5 IS ADDED TO THE INDIANA
2 CODE AS A NEW SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2005]: **Sec. 8.5. (a) The board shall annually**
4 **develop a schedule of reasonable retail prices that may be charged**
5 **by a pharmacy for a generic legend drug. For each generic legend**
6 **drug the board shall establish a range of prices that the board**
7 **determines is reasonable.**

8 **(b) The schedule developed under subsection (a) must allow**
9 **each pharmacy to charge a reasonable retail price for a generic**
10 **legend drug to permit the pharmacy to recover all of the following:**

11 **(1) The wholesale price paid by the pharmacy for the generic**
12 **legend drug.**

13 **(2) The pharmacy's overhead costs properly allocable to the**
14 **generic legend drug.**

15 **(3) A reasonable profit.**

16 **(c) A pharmacy shall annually:**

17 **(1) set a retail price to be charged by the pharmacy for each**
18 **generic legend drug based on the schedule developed under**
19 **subsection (a); and**

20 **(2) file with the board the retail price to be charged by the**
21 **pharmacy for each generic legend drug sold by the pharmacy.**

22 **(d) A pharmacy shall include with the filing required under**
23 **subsection (c) information determined necessary by the board to**
24 **allow a determination by the board of whether the retail price for**
25 **each generic legend drug is reasonable.**

26 **(e) The board shall annually review a random sample of ten**
27 **percent (10%) of the pharmacies located in Indiana to determine**
28 **whether each pharmacy's retail prices for generic legend drugs are**
29 **reasonable as allowed in subsection (b).**

30 **(f) If the board determines under subsection (e) that a**
31 **pharmacy's retail price for a generic legend drug is unreasonable,**



1 the board shall, not more than thirty (30) days after receiving the
2 information required under subsections (c) and (d):

3 (1) inform the pharmacy in writing of the determination; and

4 (2) specify a reasonable retail price to be charged by the
5 pharmacy for the drug, based on the schedule developed
6 under subsection (a).

7 (g) A pharmacy that receives notice under subsection (f) shall
8 charge the reasonable retail price specified under subsection (f).

9 (h) Not more than thirty (30) days after receiving a
10 determination from the board under subsection (f), a pharmacy
11 may request a hearing concerning the determination under
12 IC 4-21.5.

13 (i) A pharmacy that violates this section is subject to sanctions
14 under section 4(a)(3) of this chapter.

